(c) *In what denominations are SLGS securities issued?* SLGS securities are issued in the following denominations:

(1) *Time deposit securities*—a minimum amount of $1,000, or in any larger whole dollar amount; and

(2) *Demand deposit securities*—a minimum amount of $1,000, or in any larger amount, in any increment.

(d) *For how long is the offering in effect?* The offering continues until terminated by the Secretary.

§ 344.1 What special terms do I need to know to understand this part?

As appropriate, the definitions of terms used in this part are those found in the relevant portions of the Internal Revenue Code and the Income tax regulations.

Business Day(s) means Federal business day(s).

Current Treasury borrowing rate means the prevailing market rate, as determined by Treasury, for a Treasury security with the specified period to maturity.

Day(s) means calendar day(s).

Issuer refers to the Government body that issues State or local government bonds described in section 103 of the Internal Revenue Code.

Public Debt's website refers to <http://www.publicdebt.treas.gov/spe/spe.htm>.

SLGS rate means the current Treasury borrowing rate on the day we receive your subscription, less 5 basis points, as released daily by Treasury in a SLGS rate table.

SLGS rate table means a compilation of SLGS rates available for a given day.

''We'', ''us'', or ''the Secretary'' refers to the Secretary and the Secretary's delegates at the Department of the Treasury (Treasury), Bureau of the Public Debt (Public Debt), and Division of Special Investments (DSI). The term also extends to any fiscal or financial agent acting on behalf of the United States when designated to act by the Secretary or the Secretary's delegates.

§ 344.2 What general provisions apply to SLGS securities?

(a) *What other regulations apply to SLGS securities?* SLGS securities are subject to:

(1) The electronic transactions and funds transfers provisions for United States securities, part 370 of this subchapter, ''Electronic Transactions and Funds Transfers Related to U.S. Securities'', and

(2) The Appendix to subpart E to part 306 of this subchapter, for rules regarding computation of interest.

(b) *Where are SLGS securities held?* SLGS securities are issued in book-entry form on the books of the Department of the Treasury, Bureau of the Public Debt, Division of Special Investments, Parkersburg, WV.

(c) *Besides DSI, do any other entities administer SLGS securities?* The Secretary may designate selected Federal Reserve Banks and Branches, as fiscal agents of the United States, to perform services relating to SLGS securities.

(d) *Can SLGS securities be transferred?* No. SLGS securities held in an account of any one type, *i.e.,* time deposit, demand deposit, or special zero interest, cannot be transferred within that account, or to an account of any other type. Transfer of securities by sale, exchange, assignment, pledge, or otherwise is not permitted.

(e) *How does a bank or other agent certify its authority?* When a commercial bank or other agent submits an initial or final subscription on behalf of the issuer, it certifies that it is acting under the issuer's specific authorization. Ordinarily, evidence of such authority is not required.

(f) *What transactions are not permitted?* The following is a nonexclusive list of impermissible transactions:

(1) It is impermissible to subscribe for SLGS securities for deposit in a defeasance escrow of fund if at any time between the close of business on the date of subscription and the close of business on the date of issue, the amount of SLGS securities subscribed for, plus the amount of any other securities already in such escrow or fund, plus the amount of other securities the issuer has acquired, or has the right to acquire for deposit in an escrow or fund, exceeds the total amount of securities needed to fund such escrow or fund.

(2) For paragraph (f)(1) of this section, do not include in the computation any securities held in the escrow or